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## U.S. Securities and Exchange Commission

SECURITIES AND EXCHANGE COMMISSION  
RECEIVED

This Appendix to the Preamble will not appear in the Code of Federal Regulations.  
FEB 13 2006

DIVISION OF MARKET REGULATION

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549



### INSTRUCTIONS FOR USE OF FORM TA-2

Form TA-2 is to be used by transfer agents registered pursuant to Section 17A of the Securities Exchange Act of 1934 for the annual report of transfer agent activities.

**ATTENTION:** Certain sections of the Securities Exchange Act of 1934 applicable to transfer agents are referenced below. Transfer agents are urged to review all applicable provisions of the Securities Exchange Act of 1934, the Securities Act of 1933, and the Investment Company Act of 1940, as well as the applicable rules promulgated by the SEC under those Acts.

**PROCESSED**

#### I. General Instructions for Filing and Amending Form TA-2.

A. *Terms and Abbreviations.* The following terms and abbreviations are used throughout these instructions:

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1. "Act" means the Securities Exchange Act of 1934, 15 U.S.C. 78a et seq.
2. "Aged record difference," as defined in Rule 17Ad-11(a)(2), 17 CFR 240.17Ad-11(a)(2), means a record difference that has existed for more than 30 calendar days.
3. "ARA" means the appropriate regulatory agency, as defined in Section 3(a)(34)(B) of the Act, 15 U.S.C. 78c(a)(34)(B).
4. "Direct Registration System" means the system, as administered by The Depository Trust Company, that allows investors to hold their securities in electronic book-entry form directly on the books of the issuer or its transfer agent.
5. "Form TA-2" includes the Form TA-2 itself and any attachments.
6. "Lost securityholder," as defined in Rule 17Ad-17, 17 CFR 240.17Ad-17, means a securityholder:  
(i) to whom an item of correspondence that was sent to the securityholder at the address contained in the transfer agent's master securityholder file has been returned as undeliverable; provided, however, that if such item is re-sent within one month to the lost securityholder, the transfer agent may deem the securityholder to be a lost securityholder as of the day the re-sent item is returned as undeliverable; and (ii) for whom the transfer agent has not received information regarding the securityholder's new address.
7. "Named transfer agent" is defined in Rule 17Ad-9(j), 17 CFR 240.17Ad-9(j), and means a registered transfer agent that has been engaged by an issuer to perform transfer agent functions for an issue of securities but has engaged a service company (another registered transfer agent) to perform some or all of those functions.
8. "Record difference" means any of the imbalances described in Rule 17Ad-9(g), 17 CFR 240.17Ad-9(g).

9. "Registrant" means the transfer agent on whose behalf the Form TA-2 is filed.
10. "Reporting period" means the calendar year ending December 31 of the year for which Form TA-2 is being filed.
11. "SEC" means the United States Securities and Exchange Commission.
12. "Service company" is defined in Rule 17Ad-9(k), 17 CFR 240.17Ad-9(k), and means the registered transfer agent engaged by a named transfer agent to perform transfer agent functions for that named transfer agent.
13. "Transfer agent" is defined in Section 3(a)(25) of the Act, 15 U.S.C. 78c(a)(25), and means any person who engages on behalf of an issuer of securities or on behalf of itself as an issuer in at least one of the functions enumerated therein.

**B. Who Must File; When to File**

1. Every transfer agent that is registered on December 31 must file Form TA-2 in accordance with the instructions contained therein by the following March 31.
  - a. A registered transfer agent that received fewer than 1,000 items for transfer during the reporting period **and** that did not maintain master securityholder files for more than 1,000 individual securityholder accounts as of December 31 of the reporting period is required to complete Questions 1 through 5, 11, and the signature section of Form TA-2.
  - b. A named transfer agent that engaged a service company to perform **all** of its transfer agent functions during the reporting period is required to complete Questions 1 through 3 and the signature section of Form TA-2.
  - c. A named transfer agent that engaged a service company to perform **some but not all** of its transfer agent functions during the reporting period must complete all of Form TA-2 but should enter zero (0) for those questions that relate to functions performed by the service company on behalf of the named transfer agent.
2. The date on which any filing is actually received by the SEC is the Registrant's filing date provided that the filing complies with all applicable requirements. The SEC may reject a filing that does not comply with applicable requirements. The SEC's receipt of a filing, however, shall not constitute a finding that the filing has been filed as required or that the information therein is accurate, current, or complete.

- C. Number of Copies; How and Where to File.** The Registrant must file the original and two copies of Form TA-2 with the SEC. The original copy of Form TA-2 must be manually signed and any additional copies may be photocopies of the signed original copy. All copies must be legible and on good quality 8 1/2 X 11 inch white paper. The Registrant must keep an exact copy of any filing in its records. (For recordkeeping rules see 17 CFR 240.17Ad-6 and 7).

The Registrant must file Form TA-2 directly with the SEC at:

Securities and Exchange Commission  
450 5th Street, N.W.  
Washington, DC 20549-0013

**II. Special Instructions for Filing Form TA-2.**

- A. Indicate the calendar year for which Form TA-2 is filed in the box at the upper left hand corner. A transfer agent registered on December 31 shall file Form TA-2 by the following March 31 even if the transfer agent conducted business for less than the entire reporting period.
- B. In answering Question 4, indicate the number of items received for transfer during the reporting period. Omit the purchase and redemption of open-end investment company shares. Report those items in response to Question 10.
- C. In answering Questions 5 and 6, include closed-end investment company securities in the corporate equity securities category.

In answering Question 5.a, include Direct Registration System, dividend reinvestment plan and/or direct purchase plan accounts in the total number of individual securityholder accounts maintained. In Question 5.b., include dividend reinvestment plan and/or direct purchase plan accounts only. In Question 5.c., include Direct Registration System accounts only. In Question 5.d., include American Depositary Receipts (ADRs) in the corporate equity or corporate debt category, as appropriate, and include dividend reinvestment plan and/or direct purchase plan accounts in the corporate equity or open-end investment company securities category.

In answering Question 6, debt securities are to be counted as one issue per CUSIP number. Open-end investment company securities portfolios are to be counted as one issue per CUSIP number.

- D. In answering Question 7.c., exclude coupon payments and transfers of record ownership as a result of corporate actions.
- E. In answering Question 10, exclude non-value transactions such as name or address changes.
- F. In answering Question 11.b., include only those accounts held by securityholders that are defined as lost by Rule 17Ad-17 when the underlying securities (i.e., not just dividends and interest) have been remitted to the states.

### III. Federal Information Law and Requirements.

**SEC's Collection of Information:** An Agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number. Under Sections 17, 17A(c) and 23(a) of the Act and the rules and regulations thereunder, the SEC is authorized to solicit from registered transfer agents the information required to be supplied on Form TA-2. The filing of this Form is mandatory for all registered transfer agents. The information will be used for the principal purpose of regulating registered transfer agents but may be used for all routine uses of the SEC or of the ARAs. Information supplied on this Form will be included routinely in the public files of the ARAs and will be available for inspection by any interested person. Any member of the public may direct to the SEC any comments concerning the accuracy of the burden estimate on the application facing page of this Form, and any suggestions for reducing this burden. The Office of Management and Budget has reviewed this collection of information in accordance with the clearance requirements of 44 U.S.C. 3507. The applicable Privacy Act system of records is SEC-2. Form TA-2 is subject to the routine uses set forth at 40 FR 39255 (Aug. 27, 1975) and 41 FR 5318 (Feb. 5, 1976).

File Number <b>85-509</b>	OMB APPROVAL
For the reporting period ending December 31, <b>2005</b>	OMB Number: 3235-0337 Expires: June 30, 2002 Estimated average burden hours per full response: 6.00 Estimated average burden hour per intermediate response: 1.50 Estimated average burden hour per minimum response: 0.50
UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549  <b>FORM TA-2</b>	

**PROCESSED**

**FEB 24 2006**

**THOMSON  
FINANCIAL**

*Handwritten signature/initials*

FORM FOR REPORTING ACTIVITIES OF TRANSFER AGENTS  
REGISTERED PURSUANT TO SECTION 17A OF THE SECURITIES  
EXCHANGE ACT OF 1934

**ATTENTION: INTENTIONAL MISSTATEMENTS OR OMISSIONS OF FACT  
CONSTITUTE FEDERAL CRIMINAL VIOLATIONS.  
See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a)**

1.	Full name of Registrant as stated in Question 3 of Form TA-1: (Do not use Form TA-2 to change name or address.)  <u>Monroe Bank &amp; Trust</u>																																								
2.	<table border="1"><tr><td>a.</td><td>During the reporting period, has the Registrant engaged a service company to perform any of its transfer agent functions? (Check appropriate box.) <input type="checkbox"/> All <input type="checkbox"/> Some <input checked="" type="checkbox"/> None</td></tr><tr><td>b.</td><td>If the answer to subsection (a) is all or some, provide the name(s) and transfer agent file number(s) of all service company(ies) engaged. <table border="1"><thead><tr><th>Name:</th><th>File No. (beginning with 84- or 85- ):</th></tr></thead><tbody><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr></tbody></table></td></tr><tr><td>c.</td><td>During the reporting period, has the Registrant been engaged as a service company by a named transfer agent to perform transfer agent functions? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td></tr><tr><td>d.</td><td>If the answer to subsection (c) is yes, provide the name(s) and file number(s) of the named transfer agent(s) for which the Registrant has been engaged as a service company to perform transfer agent functions: (If more room is required, please complete and attach the Supplement to Form TA-2.) <table border="1"><thead><tr><th>Name:</th><th>File No. (beginning with 84- or 85- ):</th></tr></thead><tbody><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr></tbody></table></td></tr><tr><td>3.</td><td><table border="1"><tr><td>a.</td><td>Registrant's appropriate regulatory agency. (Check one box only.) <input type="checkbox"/> Comptroller of the Currency <input checked="" type="checkbox"/> Federal Deposit Insurance Corporation</td></tr></table></td></tr></table>	a.	During the reporting period, has the Registrant engaged a service company to perform any of its transfer agent functions? (Check appropriate box.) <input type="checkbox"/> All <input type="checkbox"/> Some <input checked="" type="checkbox"/> None	b.	If the answer to subsection (a) is all or some, provide the name(s) and transfer agent file number(s) of all service company(ies) engaged. <table border="1"><thead><tr><th>Name:</th><th>File No. (beginning with 84- or 85- ):</th></tr></thead><tbody><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr></tbody></table>	Name:	File No. (beginning with 84- or 85- ):																	c.	During the reporting period, has the Registrant been engaged as a service company by a named transfer agent to perform transfer agent functions? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	d.	If the answer to subsection (c) is yes, provide the name(s) and file number(s) of the named transfer agent(s) for which the Registrant has been engaged as a service company to perform transfer agent functions: (If more room is required, please complete and attach the Supplement to Form TA-2.) <table border="1"><thead><tr><th>Name:</th><th>File No. (beginning with 84- or 85- ):</th></tr></thead><tbody><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr></tbody></table>	Name:	File No. (beginning with 84- or 85- ):									3.	<table border="1"><tr><td>a.</td><td>Registrant's appropriate regulatory agency. (Check one box only.) <input type="checkbox"/> Comptroller of the Currency <input checked="" type="checkbox"/> Federal Deposit Insurance Corporation</td></tr></table>	a.	Registrant's appropriate regulatory agency. (Check one box only.) <input type="checkbox"/> Comptroller of the Currency <input checked="" type="checkbox"/> Federal Deposit Insurance Corporation
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		<input type="checkbox"/> Board of Governors of the Federal Reserve System <input type="checkbox"/> Securities and Exchange Commission																																		
b.	During the reporting period, has the Registrant amended Form TA-1 within 60 calendar days following the date on which information reported therein became inaccurate, incomplete, or misleading? (Check appropriate box.) <div style="text-align: center;"> <input type="checkbox"/> Yes, filed amendment(s)  <input type="checkbox"/> No, failed to file amendment(s)  <input checked="" type="checkbox"/> Not applicable         </div>																																			
c.	If the answer to subsection (b) is no, provide an explanation. <hr/> <hr/> <hr/> <hr/> <hr/>																																			
<b>If the response to any of questions 4-11 below is none or zero, enter "0."</b>																																				
4.	Number of items received for transfer during the reporting period: ..... <u>5</u> .....																																			
5.	a.	Total number of individual securityholder accounts, including accounts in the Direct Registration System (DRS), dividend reinvestment plans and/or direct purchase plans as of December 31: ..... <u>n/a</u> .....																																		
	b.	Number of individual securityholder dividend reinvestment plan and/or direct purchase plan accounts as of December 31: ..... <u>n/a</u> .....																																		
	c.	Number of individual securityholder DRS accounts as of December 31: ..... <u>n/a</u> .....																																		
	d.	Approximate percentage of individual securityholder accounts from subsection (a) in the following categories as of December 31: <div style="text-align: center; margin-top: 10px;"> <table style="margin: auto; border: none;"> <tr> <td></td><td></td><td>Open-End</td><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td>Corporate</td><td>Corporate</td><td>Investment</td><td>Limited</td><td></td><td></td><td></td><td></td></tr> <tr> <td>Equity</td><td>Debt</td><td>Company</td><td>Partnership</td><td>Municipal</td><td>Debt</td><td>Other</td><td></td></tr> <tr> <td>Securities</td><td>Securities</td><td>Securities</td><td>Securities</td><td>Securities</td><td>Securities</td><td>Securities</td><td></td></tr> </table> </div>			Open-End						Corporate	Corporate	Investment	Limited					Equity	Debt	Company	Partnership	Municipal	Debt	Other		Securities	Securities	Securities	Securities	Securities	Securities	Securities			
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Securities	Securities	Securities	Securities	Securities	Securities	Securities																														
6.	Number of securities issues for which Registrant acted in the following capacities, as of December 31:																																			
	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <th rowspan="2" style="width: 30%;"></th> <th colspan="2">Corporate Equity &amp; Debt Securities</th> <th>Open-End Investment Company Securities</th> <th>Limited Partnership Securities</th> <th>Municipal Debt Securities</th> <th>Other Securities</th> </tr> <tr> <th>Equity</th> <th>Debt</th> <th></th> <th></th> <th></th> <th></th> </tr> <tr> <td style="text-align: left;">n/a</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: left;">a. Receives items for transfer and maintains the master securityholder files:</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: left;">b. Receives items for transfer but does not</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>			Corporate Equity & Debt Securities		Open-End Investment Company Securities	Limited Partnership Securities	Municipal Debt Securities	Other Securities	Equity	Debt					n/a							a. Receives items for transfer and maintains the master securityholder files:							b. Receives items for transfer but does not						
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b. Receives items for transfer but does not																																				

		maintain the master securityholder files:							
	c.	Does not receive items for transfer but maintains the master securityholder files:							

7. Scope of certain additional types of activities performed:

a. Number of issues for which dividend reinvestment plan and/or direct purchase plan services were provided, as of December 31:..... n/a

b. Number of issues for which DRS services were provided, as of December 31:..... n/a

c. Dividend disbursement and interest paying agent activities conducted during the reporting period:

i. number of issues..... n/a

ii. amount (in dollars)..... n/a

8. a. Number and aggregate market value of securities aged record differences, existing for more than 30 days, as of December 31:

	n/a	Prior Transfer Agent (If applicable)	Current Transfer Agent
i.	Number of issues .....		
ii.	Market value (in dollars) .....		

b. Number of quarterly reports regarding buy-ins filed by the Registrant with its ARA (including the SEC) during the reporting period pursuant to Rule 17Ad-11(c)(2):..... n/a

c. During the reporting period, did the Registrant file all quarterly reports regarding buy-ins with its ARA (including the SEC) required by Rule 17Ad-11(c)(2)? n/a

☐ Yes ☐ No

d. If the answers to subsection © is no, provide an explanation for each failure to file.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

9. a. During the reporting period, has the Registrant always been in compliance with the turnaround time for routine items as set forth in Rule 17Ad-2? n/a

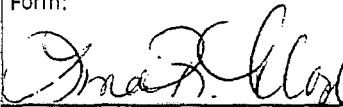
☐ Yes ☐ No

**If the answer to subsection (a) is no, complete subsections (i) through (ii).**

i. Provide the number of months during the reporting period in which the Registrant was **not** in compliance with the turnaround time for routine items according to Rule 17Ad-2.....

	ii. Provide the number of written notices Registrant filed during the reporting period with the SEC and with its ARA that reported its noncompliance with turnaround time for routine items according to Rule 17Ad-2.....																		
10.	Number of open-end investment company securities purchases and redemptions ("transactions") excluding dividend, interest and distribution postings processed during the reporting period:																		
a.	Total number of transactions processed:..... <u>n/a</u>																		
b.	Number of transactions processed on a date other than date of receipt of order ("as of"):..... <u>n/a</u>																		
11.	<p>a. During the reporting period, provide the date of all database searches conducted for lost securityholder accounts listed on the transfer agent's master securityholder files, the number of lost securityholder accounts for which a database search has been conducted, and the number of lost securityholder accounts for which a different address has been obtained as a result of a database search.</p> <table border="1"> <thead> <tr> <th>Date of Database Search</th> <th>Number of Lost Securityholder Accounts Submitted for Database Search</th> <th>Number of Different Addresses Obtained from Database Search</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>	Date of Database Search	Number of Lost Securityholder Accounts Submitted for Database Search	Number of Different Addresses Obtained from Database Search															
Date of Database Search	Number of Lost Securityholder Accounts Submitted for Database Search	Number of Different Addresses Obtained from Database Search																	
b.	Number of lost securityholder accounts that have been remitted to states during the reporting period:.... <u>n/a</u>																		

**SIGNATURE:** The Registrant submitting this Form, and the person signing the Form, hereby represent that all the information contained in the Form is true, correct, and complete.

Manual signature of Official responsible for Form: 	Title: Wealth Mangement Operations Manager & Transfer Agent  Telephone number: 734-384-8132
Name of Official responsible for Form: Linda R. Floyd (First name, Middle name, Last name)	Date signed (Month/Day/Year): 2/8/06

File Number	Supplement to Form TA-2
For the reporting period ended December 31, _____	Full Name of Registrant

Use this schedule to provide the name(s) and file number(s) of the named transfer agent(s) for which the Registrant

has been engaged as a service company to perform transfer agent functions:

[illegible]

## Footnotes

<sup>1</sup> 17 CFR 240.17Ac2-2.

- <sup>2</sup> Securities Exchange Act Release No. 23084 (March 27, 1986), 51 FR 12124. Form TA-2 is referenced in 17 CFR 249b.102.
- <sup>3</sup> Securities Exchange Act Release No. 41204 (March 23, 1999), 64 FR 15310 (March 31, 1999).
- <sup>4</sup> "ARA" is defined in Section 3(a)(34) of the Securities Exchange Act of 1934, 15 U.S.C. 78c(a)(34), and includes the Commission, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency.
- <sup>5</sup> Securities Exchange Act Release No. 39176 (October 1, 1997), 62 FR 52229. "Lost securityholder," as defined in Rule 17Ad-17, means a securityholder: (i) to whom an item of correspondence that was sent to the securityholder at the address contained in the transfer agent's master securityholder file has been returned as undeliverable; provided, however, that if such item is re-sent within one month to the lost securityholder, the transfer agent may deem the securityholder to be a lost securityholder as of the day the re-sent item is returned as undeliverable; and (ii) for whom the transfer agent has not received information regarding the securityholder's new address. The Commission also adopted amendments to Rule 17Ad-7 incorporating the time periods for retention of records required by Rule 17Ad-17.
- <sup>6</sup> Rule 17a-24 requires registered transfer agents to report the number of lost securityholder accounts as of June 30 of each year and the percentage of total accounts represented by such lost securityholder accounts. These figures are broken down by the length of time the securityholder was classified as lost: one year or less; three years or less; five years or less; or more than five years. Rule 17a-24 also requires that transfer agents annually report information on lost securityholder accounts that were remitted to state unclaimed property administrators.
- <sup>7</sup> Letters from Lynette M. States, Assistant Director, Arizona Department of Revenue (May 14, 1999); Scott Muirhead, Vice President, Bankers Trust (May 17, 1999); Robert E. Smith, President, Corporate Transfer Agents Association, Inc. (CTA)(July 29, 1999); Charles V. Rossi, President, EquiServe, (May 17, 1999); Nancy C. Ashcom, Corporate Secretary, FirstEnergy (May 14, 1999); Kathleen C. Joaquin, Director-Transfer Agency & International Operations, Investment Company Institute (May 17, 1999); Jessie Baker, President, National Association of Unclaimed Property Administrators (NAUPA)(May 17, 1999); Thomas L. Montrone, President and Chief Executive Officer, Registrar and Transfer Company (RTC)(May 5, 1999); Robert Dietz, President, Securities Transfer Association, Inc. (STA)(May 17, 1999); James R. Alden, Manager and Assistant Secretary, Shareholder Services (April 27, 1999); and James R. Alden, Assistant Secretary and Manager of Shareholder Services, Southern California Edison (April 27, 1999). The comment letters and a Commission staff summary of the comments are contained in File No. S7-11-99 and are available for inspection in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549.
- <sup>8</sup> "Named transfer agent" is defined in Rule 17Ad-9(j) as the registered transfer agent that is engaged by an issuer to perform transfer agent functions for an issue of securities but has engaged a service company to perform some or all of those functions. 17 CFR 240.17Ad-9(j).
- "Service company" is defined in Rule 17Ad-9(k) as the registered transfer agent engaged by a named transfer agent to perform transfer agent functions for that named transfer agent. 17 CFR 240.17Ad-9(k).
- <sup>9</sup> As proposed, the portion of Form TA-2 such a transfer agent would be required to complete would provide basic information such as the transfer agent's name, its use of a service company, the name of its ARA, whether it filed any amendments to its registration, and the number of items it received for transfer and processing during the reporting period.
- <sup>10</sup> Letters from CTA and RTC.
- <sup>11</sup> Letters from CTA, EquiServe, and STA.
- <sup>12</sup> Letter from EquiServe.
- <sup>13</sup> Rule 17Ac2-2 requires a named transfer agent that engages a service company to perform some but not all of its transfer and processing functions to file a Form TA-2 and to enter zero for those questions that relate to transfer agent activities performed by the service company on behalf of the named transfer agent. These requirements would not be changed.
- <sup>14</sup> Letters from CTA, FirstEnergy, and STA.
- <sup>15</sup> Letter from CTA.
- <sup>16</sup> While some transfer agents have said they prefer a later reporting date because of other year-end processing, the Commission believes that a reporting date past March 31 would make the data less useful.

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- <sup>17</sup> As a transition measure, transfer agents' next required Form TA-2 filing will be on March 31, 2001, which will cover their activities during calendar Year 2000. This will eliminate the filing for the period ending June 30, 2000 (which would have been due on August 31, 2000).
- <sup>18</sup> As proposed, the master securityholder account element did not change. In addition, as proposed, low volume transfer agents were still required to complete a partial Form TA-2.
- <sup>19</sup> Letters from RTC and STA.
- <sup>20</sup> Letter from CTA.
- <sup>21</sup> Transfer agents registered with the Commission are required by Rule 17Ac2-1(c) to amend Form TA-1 or the SEC Supplements to Form TA-1 within 60 calendar days following the date on which information reported therein became inaccurate, incomplete, or misleading. 17 CFR 240.17Ac2-1(c). Federal bank regulators (FBRs) also require their registrants to amend their Form TA-1 within 60 calendar days following the date on which the reported information became inaccurate, incomplete, or misleading. FBRs send copies of the submitted filings to the Commission on behalf of their registrants.
- <sup>22</sup> Letter from EquiServe.
- <sup>23</sup> Letter from RTC.
- <sup>24</sup> Id. The commenter suggested that the categories should include one dealing with dividend reinvestment plans, whether or not they have an optional cash contribution for current participants, and a second for issues that have the open availability/direct purchase functionality. Issues in the latter category usually have dividend reinvestment and optional cash features for participants. The commenter further recommended that the questions on dividend reinvestment plans should include only those plans that are not listed under the direct purchase responses.
- <sup>25</sup> Letters from CTA, FirstEnergy, and STA.
- <sup>26</sup> "Direct Registration System" means the system, as administered by The Depository Trust Company, that allows investors to hold their securities in electronic book-entry form directly on the books of the issuer or its transfer agent. Securities Exchange Act Release No. 37931 (November 7, 1996), 61 FR 58600. DRS securityholdings are growing. Currently, 11 transfer agents service 292 DRS eligible issues.
- <sup>27</sup> Letter from CTA.
- <sup>28</sup> "Record difference," as defined in Rule 17Ad-9(g), occurs when either (1) the total number of shares or total principal dollar amount of securities in the master securityholder file does not equal the number of shares or principal dollar amount in the control book, or (2) the security transferred or redeemed contains certificate detail different from the certificate detail currently on the master securityholder file, which difference cannot be immediately resolved.
- <sup>29</sup> Letters from EquiServe, RTC, and STA.
- <sup>30</sup> 17 CFR 240.17Ad-11(c)(2). Generally, Rule 17Ad-11(c)(2) requires a transfer agent to file a report at the end of each quarter during which it has an aged record difference (i.e., where the number of shares on the securityholder file does not equal the number of shares authorized and issued by the issuer). A buy-in is required when a registered transfer agent overissues shares. The registered transfer agent within 60 days of the discovery of such overissuance buys-in securities equal to the number of shares in the case of equity securities or equal to the principal dollar amount in the case of debt securities. 17 CFR 240.17Ad-10(g).
- <sup>31</sup> Turnaround times for routine items are set forth in Rule 17Ad-2. 17 CFR 240.17Ad-2.
- <sup>32</sup> Letters from EquiServe, RTC, and STA.
- <sup>33</sup> Letter from Bankers Trust.
- <sup>34</sup> TAC arrangements, which are more commonly referred to as fast automated securities transfer (FAST) arrangements, exist between large transfer agents and The Depository Trust Company.
- <sup>35</sup> Letters from CTA and Banker Trust.
- <sup>36</sup> Letters from Bankers Trust, CTA, EquiServe, RTC, Shareholder Services, Southern California Edison, and STA.
- <sup>37</sup> Letters from CTA, RTC, and STA.

- <sup>38</sup> Letters from Arizona Department of Revenue and NAUPA. 17Ad-17 provides in pertinent part that every recordkeeping transfer agent whose master securityholder file includes accounts of lost securityholders shall exercise reasonable care to ascertain such lost securityholders' current addresses. Each recordkeeping transfer agent shall conduct two database searches without charge to a lost securityholder.
- <sup>39</sup> Supra, note 4.
- <sup>40</sup> 44 U.S.C. 3501 et. seq.
- <sup>41</sup> Since the proposing release, the total number of registered transfer agents has decreased.
- <sup>42</sup> Based on an estimated average administrative labor cost of \$31.50 per hour, the Commission's staff estimates that the total labor cost to the transfer agent industry for complying with Rule 17Ac2-2 and Form TA-2 would be \$107,226 annually ( $\$31.50 \times 3,404$ ).
- <sup>43</sup> Letters from Bankers Trust ("amendments . . . do not pose significant modifications to procedures or systems"), RTC and STA("costs cannot be accurately estimated").
- <sup>44</sup> Registrants that hire service companies to perform all of their transfer agent functions will be required to complete questions one through three and the signature section.
- <sup>45</sup> Letter from Bankers Trust.
- <sup>46</sup> 15 U.S.C. 78w(a)(2).
- <sup>47</sup> Letters from FirstEnergy, STA, and CTA.
- <sup>48</sup> See 15 U.S.C. 78w(a)(2).
- <sup>49</sup> 17 CFR 240.17Ac2-1(c).
- <sup>50</sup> 17 CFR 240.17a-24.
- <sup>51</sup> See letter from Bankers Trust. In addition, the Bankers Trust letter indicated that the proposed changes regarding the lost securityholder accounts would cost Bankers Trust a total of forty person-hours and \$6,260 to comply with the rule. However, as the Commission has decided to significantly simplify the reporting requirements for lost securityholder account searches, the Commission believes that the Bankers Trust cost estimate will be greatly reduced.
- <sup>52</sup> 17 CFR 240.0-10(h). The Commission recently amended this definition. Securities Exchange Commission Release Nos. 33-7548, 34-40122, IC-23272, and IA-1727 (June 24, 1998), 63 FR 35508.
- <sup>53</sup> The FRFA arrives at this estimate, which is different than the IRFA estimate, by using the latest available transfer agent data. The IRFA, using the data available at that time, estimated that the total burden to 180 small entity transfer agents would be 81 hours ( $180 \times .45$ ) at a cost of \$2,552 ( $\$31.5 \times 81$  hours). The FRFA, with a revised figure of 163 small entity transfer agents, calculates the following total burden:  $163 \times .45 = 73$  hours; and  $\$31.5 \times 73$  hours = \$2300.
- <sup>54</sup> This figure is different than the figure put forth in the proposing release because data available since publication of the proposing release has shown a decrease in the number of registered transfer agents.
- <sup>55</sup> Letter from Bankers Trust.

<http://www.sec.gov/rules/final/34-42892.htm>

